BRITISH COLUMBIA

BC STATS

Ministry of
Management Services

Infoline

Contact: bcstats.infoline@gems6.gov.bc.ca

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- **British Columbia's unemployment rate drops for the third month in a row**
- **The value of building permits slumped in October, but the trend remained positive**
- **Number of crimes reported in 2002 increased from last year, but is still lower than 10 years ago**

Labour Force

- **British Columbia's unemployment rate continued to drop in November, reaching 7.6% (seasonally adjusted) after peaking at 9.1% in September.** Following strong job gains in October, employment in BC was relatively unchanged in November. The improvement in the jobless rate was largely due to a drop in the number of persons looking for work. Last month's drop brought the unemployment rate down to the lowest level seen this year.

- **Youth employment was also relatively unchanged in November (+0.1%).** However, the unemployment rate among youth (15-24) declined in November to 12.8%, due largely to a drop in the number of persons looking for work.

- **Job growth in November was concentrated in the service-producing industries.** This was offset by job losses in the goods-producing sector, largely concentrated in forestry, fishing & mining (-7.1%), and related manufacturing (-3.2%).

- **Within BC, unemployment was lowest in the oil & gas rich Northeast region of the province (6.0%).** Among the cities, Victoria continues to enjoy one of the lowest unemployment rates in the province at 6.0% (seasonally adjusted).

Source: Statistics Canada

The Economy

- **The value of building permits issued by BC municipalities plunged (-24.1%, seasonally adjusted) in September, after soaring (+34.1%) in August.** Building intentions in the non-residential sector fell to a greater extent (-50.1%) than in the residential (-9.9%) sector. The value of permits slumped in Victoria (-57.7%) and Vancouver (-20.4%) while it jumped (+66.1%) in Abbotsford. Despite this overall monthly decrease in permits between September and October, the trend in building activity in BC has remained positive so far in 2003. Year-to-date, permits in BC are 15.2% higher than in the first ten months of 2002. *Source: Statistics Canada*

Rental Apartment Cost and Vacancy Rate

- **The average rents for apartments increased in major BC metropolitan areas in October 2003 compared to the same period last year.** The average rents went up for both one-bedroom and two-bedroom apartments in Vancouver, Victoria and Abbotsford. In Vancouver, the average rent for one-bedroom and two-bedroom units went up 2.2% ($759) and 1.2% ($965) respectively between October 2002 and October 2003. Only people renting in Toronto had to pay more, on average, for a two-bedroom apartment ($1,040) than people renting in Vancouver. The increase in the average rent was higher in Victoria for one-bedroom (+2.3%) and two-bedroom apartments (+2.3%) compared to Vancouver; however, the average rent remained lower for both one-bedroom ($619) and two-bedroom units ($789). In Abbotsford, the average rent for a one-bedroom apartment rose 1.3% to reach $537, which was much less than the increase for two-bedroom units (+3.4%, $672).

The rents for apartments increased despite the fact that the rental apartment vacancy rate in BC eased in two of the three metropolitan areas surveyed during the same period. Lower mortgage carrying costs have contributed to a weaker demand for rental housing by bringing home ownership within the reach of renter households. The average vacancy rate went up in Vancouver (from 1.4% to 2.0%) and Abbots-

Report BC's Cruise Ship Industry

Did you know...
Each Canadian used 1,471 cubic metres of water, on average, in 1999.
Canadians were second only to the US as the highest consumer of water in the world.

ford (from 2.0% to 2.5%) between October 2002 and October 2003. The only decline was observed in Victoria, where the vacancy rate tightened up 0.4 percentage points to reach 1.1%.

Across Canada, in October, vacancy rates were higher than one year ago in 20 of Canada's 28 metropolitan areas. The average rents for two-bedroom apartments increased in all metropolitan areas surveyed except Toronto and Calgary, while the average rents for one-bedroom units were down only in Toronto and Saint-John. *Source: CMHC*

Spending Patterns

- **The average expenditure of the 1,520,870 households in BC was $57,138 in 2001**. The average spending by BC households was just $358 lower than the Canadian average ($57,496).

BC households spent more on shelter ($11,101) than on any other consumption items in 2001, due to higher average housing prices. Moreover, shelter accounted for 20.5% of the household budget, which was more than any other province. BC households allocated $10,872 to personal taxes, the second largest spending category. On average, spending on health care ($1,655) was lower than on other essential expenditures such as food ($6,535), clothing ($2,210), transportation ($7,309) and communication ($1,179). BC households contributed more to charity, on average, than those in any other province ($1,543).

Households living in the Vancouver metropolitan area spent more than households in Victoria in almost all spending categories. However, households in Victoria reported spending a lot more on gifts of money and contributions to charity than any other metropolitan area in Canada. *Source: SC, Catalogue 62-202-XPE*

Crimes in BC

- **There were 478,635 non-traffic crimes reported in BC in 2002, up 2% from 2001**. Slightly more than half (56%) of these crimes reported in 2002 were against property (theft, fraud, break and enter) while crimes against persons (violent offences such as assault, homicide, attempted murder) represented a smaller portion (10%). Drug crime (5%) and traffic crime (3%) also represented a small share of all crimes reported in the province.

One-quarter (25%) of all crimes reported in 2002 were solved by the police with 14% cleared by charge and 11% cleared by other means. Police have had more difficulties solving crimes than in the past as the clearance rate has been falling since 2000.

In 2002, youths comprised 15% of persons charged. For both adults (83%) and youths (75%), males made up the large majority of offenders in 2002.

The 2002 crime rate, a measure that takes into account population growth, was 116 crimes per 1,000 population, an increase of 1% from the previous year. This was the second annual increase of the crime rate after a decade of declines between 1991 and 2000. However, it remained considerably lower than the peak of 152 crimes per 1,000 population in 1991. In fact, the crime rate in 2002 is still one of the lowest reported in BC over the last two decades or so.
Source: Ministry of Public Safety and Solicitor General

Disabilities

People aged 65 years old and over in BC had a disability rate (43%) about four times higher than those of working age (15 to 64) (11%) and about ten times than that of children (0 to 14) (4%) in 2001. Among people who had a disability—that is, an activity limitation, a physical, mental or health condition problem—at least one-third of them experienced a severe to very severe disability, depending on if they were children (50%), working age adults (57%) or seniors (60%). Like every province, the three most common disabilities reported in BC were related to mobility (11%), pain (11%) and agility (10%) problems. A small portion of people who had a disability in 2001 reported developmental problems (1%), less than half the number reporting speech (2%), learning (2%) or memory troubles (2%). *Source: HRDC*

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Infoline Report

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Originally published in *Tourism Sector Monitor*, Issue 03-10. Annual subscription $60 + GST

B.C.'s Cruise Ship Industry

Cruising is a spectacular way to discover BC's unique coastal cities and natural sites. Vancouver, Victoria, Prince Rupert, and other coastal cities such as Nanaimo, Campbell River and Alert Bay are ports of call for luxury and pocket cruise ships plying the waters along the west coast during the cruising season, which lasts from May to October. In the summer months, BC Ferries also provides services through the Inside Passage, for passengers travelling between Port Hardy and Prince Rupert who opt for a less luxurious mode of travel.

Vancouver, Victoria, and Prince Rupert host luxury cruise ships en route to or from Alaska. Although the Alaska cruise companies are based outside the country1, local economies still benefit substantially from cruise ship visits. Passengers joining or leaving their Alaska cruises in Vancouver typically spend a day or two in the city, staying at local hotels, and patronizing restaurants, shops, attractions, and bars in the city. Tourist attractions, retail outlets, bus and taxi operators, port authorities and other businesses at the various ports of call all get a boost from spending by cruise ship passengers and by the cruise ship companies who organize tours and other excursions for their passengers at each place they visit.

During the cruising season, Vancouver, Victoria and Prince Rupert host luxury cruise ships en route to or from Alaska

Alaska: key to the cruise ship industry success

North American destinations have been the prime beneficiary of growth in the cruise ship industry over the last few years, as northern cruise vacations have become more popular. Alaska recently surpassed the Mediterranean area to become the second most popular cruise ship destination in the world, after the Caribbean. Alaskan cruises were already in vogue before September 2001, but following the terrorist attacks, cruising to Alaska become even more attractive to North Americans who preferred to stay closer to home (and to avoid flying) on their vacations.

Phenomenal growth in BC, but the tide may be turning

The growth of cruise-related activities in British Columbia has been phenomenal during the last two decades. Until this year, the number of passengers travelling through the Port of Vancouver had increased for two

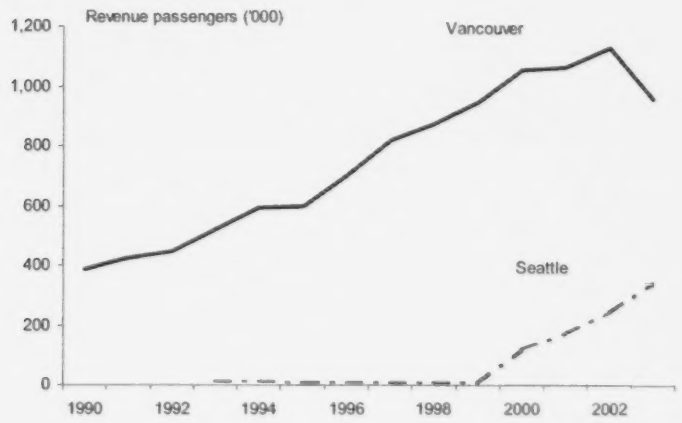
[1] Since the vessels are not based in BC, but visit the province only during the cruising season, the staff who work on them are not usually BC residents, and some of the benefits from supplying, servicing, refitting and operating the vessels accrue outside the province.

decades straight, with average annual growth of nearly ten percent a year during the 1990s.

US cabotage regulations contributed to the growth of cruise-related activities in BC during the 1980s and 1990s

Vancouver's importance as a terminus for Alaska cruises owes much to US cabotage regulations, which require the inclusion of one foreign port in a cruise ship itinerary originating and ending in the US. For travel from the continental US to Alaska, this means that all ships must stop at a BC port en route to their destination. Although a few hours' stop is enough to comply with these regulations, many cruise ship companies have opted to start or end their Alaska cruises in Vancouver. Modern cruise ship terminals have been constructed at Canada Place and Ballantyne Pier to accommodate passengers joining or leaving their cruises in that city.

Vancouver's position as the homeport for Alaska cruises faces stiff competition from Seattle



Source: Vancouver Port Authority and Port of Seattle

More recently, some cruise ships have been redeployed, and now use Seattle as a homebase

Seattle, Vancouver's closest competitor for cruise ship business, was not as effective in attracting cruise ships during the 1980s and 1990s. However, that is changing. Three cruise ship companies–Norwegian Cruise Lines, Holland America and Princess Cruises–are now sailing from new facilities that were recently opened in Seattle. These cruises offer American passengers the convenience of being able to begin and end their trip in their own country, something which may be more of a benefit to travellers now than it was in the pre-9/11 era. In 1999, Seattle hosted six cruise ship visits, bringing a total of 6,615 people to the city. This year, 99 cruise ship calls brought 345,000 passengers to Seattle. San Francisco has also seen the number of Alaska-bound cruises expand significantly in recent years.

Vancouver is hurting. Cruise traffic was down in the 2003 season, with the total number of passengers slipping below the one million mark (to 953,376) for the first time since 1999. There were 307 voyages starting or stopping in the city, also the lowest number since 1999. Most passengers to Alaska still embark or disembark in Vancouver, but that city's dominance in the cruising market is slipping.

Other ports in the province have, however, benefited from the redeployment of vessels to Seattle or further afield. The ships that start out in the US still have to stop somewhere in BC and for many of them, Victoria or Prince Rupert are destinations of choice. Prince Rupert (+74.0%) and Victoria (+62.6%), a common port of call for ships based in Seattle, both played host to substantially more cruise ship passengers during the first five months of the cruising season this year than in the same period of 2002. However, since the cruise ships do not always stay in these cities for very long, the attendant boost to the BC economy is probably substantially less than for voyages that begin or end in the province.

More ships are coming to Victoria and Prince Rupert, but traffic from Vancouver is down

Cruise Ship Passengers at BC and Seattle Ports

Port	Year-to-date September 2003	Year-to-date September 2002	% change
Vancouver	939,604	1,049,436	-10.5
Prince Rupert	3,034	1,744	74.0
Victoria	188,578	116,000	62.6
All 3 ports	1,131,216	1,167,180	-3.1
Seattle*	345,000	244,905	40.9

Source: Vancouver Port, Prince Rupert Port and Greater Victoria Harbour Authority

*Number of passengers in Seattle is for the whole cruising season

Looking ahead: dealing with the challenges

The cruise ship industry has played an increasingly important role in BC during the last two decades, but BC ports are facing a number of challenges. Vancouver's dominance as a homeport for Alaska-bound ships is being challenged by the redeployment of cruise ships to Seattle. This has shifted some of the local benefit from cruise ship activities away from Vancouver to smaller centres such as Victoria and Prince Rupert. At the same time, the appreciation of the Canadian dollar vis-à-vis the US greenback means that purchases by American tourists visiting BC ports are less of a

bargain now than they used to be, so it is likely that some spending by passengers will be curtailed.

Plans to build new berths and dock facilities for cruise ships and their passengers have created debate about the return and benefits of the industry to local economies. The industry also provokes some controversy over environmental issues such as air quality, ocean pollution and neighbourhood traffic.

BC ports are working together to face these challenges, to diversify and expand the cruise ship business, and to offer a BC-brand product. Whether or not they will be successful remains to be seen, but the industry will bear watching in the coming years.

Infoline

December 5, 2003

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BC at a glance . . .

POPULATION (thousands)	Jul 1/03	% change on one year ago
BC	4,146.6	0.8
Canada	31,629.7	0.9
GDP and INCOME		
(BC - at market prices)	2002	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	135,552	2.7
GDP *($ 1997 millions)*	128,151	2.4
GDP *($ 1997 per Capita)*	31,143	1.5
Personal Disposable Income *($ 1997 per Capita)*	19,576	0.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Sep	2,903	2.5
Merchandise Exports - Sep	2,558	1.3
Retail Sales - Sep	3,395	-2.2
CONSUMER PRICE INDEX		12-month avg
(all items - 1992=100)	Oct '03	% change
BC	120.6	2.5
Canada	122.4	3.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Nov '03	prev. month
Labour Force - BC	2,217	-0.2
Employed - BC	2,048	0.0
Unemployed - BC	169	-2.6
		Oct '03
Unemployment Rate - BC *(percent)*	7.6	7.8
Unemployment Rate - Canada *(percent)*	7.5	7.6
INTEREST RATES (percent)	Dec 3/03	Dec 4/02
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	4.75	4.90
- 5 year	6.50	6.70
US/CANADA EXCHANGE RATE	Dec 3/03	Dec 4/02
(avg. noon spot rate) Cdn $	1.2996	1.5574
US $ *(reciprocal of the closing rate)*	0.7695	0.6410
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Nov '03	one year ago
BC	682.88	0.7
Canada	667.89	2.1

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

2001 Census Profiles

We have started the roll-out of our area profiles based on the 2001 Census. Check them out at

www.bcstats.gov.bc.ca/data/cen01/c01index.htm

Each 18-page profile, in PDF format, reveals just about all you can know about an area. Three pages of charts compare the area's makeup to that of the province (or country in the case of our provincial profiles). These are followed by data tables showing both local values and percentage distributions. A number of charts and tables feature data sorted according to the unique local experience.

Canada, the **provinces**, & **regional district** profiles are posted to our site now. We will post an additional 1400 areas as soon as we develop the look-up code and obtain the required storage capacity – coming soon are profiles for

- ✓ **Census Subdivisions**
- ✓ **Urban Areas & neighbourhoods**
- ✓ **Designated Places**

These additional files will be available in our WebStore for $5 each and will be included in our subscription site ($200/year).

This work is a bigger task than we realized. Our current estimate is that these files will be available around December 12. In the meantime we have updated our *Community Facts* series to include an expanded section based on the 2001 Census

Released this week by BC STATS

- Labour Force Survey, November 2003
- Earnings & Employment Trends, November 2003
- Tourism Sector Monitor, November 2003

Next week

- Exports, October 2003

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